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to everyone who is already attending this in CLECs?
MR. CRUZ: We can create minutes and include those in there --
MR. MURTHY: Yeah, please, yeah.
MR. CRUZ: -- to make sure everyone's on a -- I guess communicating well with all the requirements. We just had a request from MCI that they have a different option for us to consider and they're going to e-mail it to us and we've committed it to distributing that in the minutes, so --
MR. BOYER: With the options?
MR. CRUZ: Yeah, with the options. Yes, sir.
MR. WEINER: My name's Ken Weiner. I'm with Birch Telecom, and my question has to do with the technology on that Litespan 2000. In terms of the -- did you have requirements from CLECs to help evaluate which technology provider you would use and -- or what were the requirements you were matching against to pick the technology, and then also what are the forward-looking plans for Alcatel with respect to SDSL-type capability?
MR. BOYER: James. I'll let James take that one.
MR. CRUZ: Do you want to restate the

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question for the folks on the call, James?
MR. KEOWN: Yeah, the question was, do we take input from CLECs in choosing the technology that we're deploying in PROJECT PRONTO; and the second part of the question is, what is the forward-looking view for the Alcatel equipment as far as other flavors of DSL services.
The answer to the first question is no. We did a fairly detailed evaluation of various products and technologies looking at where we thought the industry was going. And at the time this -- and besides, we had some companies already had a lot of this equipment deployed, so this looked like the best alternative at the time that we were doing our technical evaluation of the product, so we landed on this particular technology.
As to the second part of the question, Alcatel is developing a variety of cards, HDSL-2, SDSL, I think they already have IDSL, so there are other flavors of DSL services that they're going to be deploying and rolling out. Now, whether those become products, I assume we will certainly take a look at those as offerings at some point in future.
MS. GENTRY: When did you do that evaluation?

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MS. SMITH: Do you have a time frame when this might be available?
MR. KEOWN: I'm sorry, got two questions here.
MR. CRUZ: Actually if we could take the call. And, Jo, I'll get back to your question in a second. Could you go ahead and state your name on the bridge and the company you're with, please.
MS. MAYS: I think it was both Kristin and I. This is Christine Mays from North Point, and actually the previous gentleman pretty much asked the question that I was going to ask, although I guess mine is a little bit more detailed in the sense that what is the plan? I mean, you're saying that this product will -- will in theory be capable of handling any kind of DSL, but in truth, and maybe this is the first part of my question, it seems that right now the Litespan 2000 is the Alcatel equipment only supports ADSL. What is the plan for either taking CLEC input or allowing CLECs perhaps through the profile that you're talking about in this new SOLID system to say what kinds of cards they want put into the Litespan 2000 equipment, or is that solely going to be up to SBC?
MR. KEOWN: I'll take the first part,

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and I'll turn the second part to Chris if you don't mind. Alcatel has a migration strategy and a deployment strategy. I just don't have that handy at the time to tell you the dates and times when SDSL, IDSL and those other flavors of DSL --
MR. CRUZ: I think it's fall of 2000.
MR. KEOWN: I think that's right. I think at 11.0 you'll start getting to HDSL-2 which is late this year, I know, but I don't have a -- since I don't have a detailed schedule I don't want to be speculating on exactly what those dates are.
MS. MAYS: Can we get that from him?
MR. KEOWN: Alcatel has that available. I think it's probably available on their public web sites.
MS. MAYS: That's fine.
UNIDENTIFIED SPEAKER: Could you include it in the minutes?
MS. MAYS: So, what about the plans going forward about how you're going to decide once Alcatel does release additional types of DSL how you're going to decide what goes in there?
MR. BOYER: Can you repeat the question, please? I don't think I quite understand your question.

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MS. MAYS: Well, I mean, right now the theory is the product will support all different kinds of DSL, but obviously you'll need different cards in the Litespan 2000 equipment to support the different DSL services.
MR. BOYER: Right.
MS. BLAIN: So, what is the plan from SBC's perspective? How will you decide what kinds of DSL will be supported out of the different RTs and what percentage and ratios and things like that?
MR. BOYER: Those are -- that's a good question. I don't have the answer to that. We have -- we have not -- if you're asking whether or not we've developed the process of how we're going to deploy different cards other than the existing ADLU card and how we're going to make the decision on where we're going to deploy them and what percentage are going to be deployed, I think we would have to evaluate that as we get more information down the road as the cards become available and as different -- as different customers of ours indicate that they want to deploy a different type of technology, I think we have to evaluate that at that time. I don't think I can -- we can answer that now.

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MS. MAYS: So, will it be by CLEC input? I mean, I guess, you know, right now you're claiming that the product supports all different kinds of DSL, but in reality that's not true.
MR. BOYER: Well, it's the product itself would support that, but yes, it is limited by the technology compatible with the Litespan. So, I think as new technologies become available with the Litespan, then we certainly will do what we can to make sure that we can offer different types of technologies. If you're asking whether or not we have a process to do that today, no, we do not have that. We're in the -- we're still in the middle of developing a process to support the technologies that the Litespan does support today. I think in the future we will look at what we deploy as the technology changes, and I certainly think we would want to have CLEC input into that as time goes forward.
MS. MAYS: Actually one other question then on something that was talked about earlier. And tell me if you already addressed this, but in talking about loop-to-loop qualification process or how that's going to mesh with this RT process, you mentioned that we'll get a response

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back from the loop qual to say loop too long but RT available.
MR. BOYER: That's correct.
MS. MAYS: What happens at that point? If we want to not use the RT but continue to go ahead and provision our DSL service on the straight copper loop, even if the prequal system criteria believes that the loop is too long, right now we have the ability to sort of override that. On the LSR we can put what is called an as-is code or certain spec code to override it so that we really don't get the loop too long response back. Do you know what the -- will we be able to put that order through regardless of what message we get back?
MR. BOYER: Yes, you'll still have the same capabilities you have today. So, if you want to have the loop as is whether or not it's too long or not, you'll still be able to do that if you want to put it over the copper facility.
MS. MAYS: Okay.
MR. BOYER: There's no reason -- that will not change.
MR. SIEGEL: What if the loop is not too long and there's RT available?

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MR. CRUZ: That was Howard Siegel, IP Communications. Howard Siegel, IP Communications.
MR. SIEGEL: Will we still be notified that there's an RT available?
MR. BOYER: I'm not sure. I really don't know because we're still looking into the whole process obviously.
MS. MAYS: I'm sorry. What was the question? How would we know if an RT --
MR. BOYER: The question was asked if the loop length is not too long, if it's less than the requirement that would make it outside the loop length, would you still be notified if an RT was available.
MS. MAYS: Yeah.
MS. LOPEZ: This is Ann Lopez from Rhythms. I want to go back over, and I tend to disagree with the statement that you don't have a process on how you would deploy --
MR. CRUZ: Technology?
MS. LOPEZ: -- new technology. And on page 18 you have on here that the CLECs would continue to have the option to develop new plug-ins with the vendors. And part of that would be as the vendors are developing this new -- this new type of

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plug-ins. My understanding is that the current process is that all of these new technologies go through your common systems to be evaluated for deployment.

MR. BOYER: Right.

MS. LOPEZ: And so I'm assuming, and you tell me if this is a wrong assumption, but I would assume that as these new cards come out from the vendors, that they would go through the existing common systems practice to go in evaluate and test them.

MR. BOYER: Yes.

MS. LOPEZ: Okay. My question then would be, as I'm getting head shaking up and down, my question would be is, if this is going through common systems, what is the time line of getting that back from common systems being evaluated? So, if I turn around and a vendor comes out with a new card and I say, oh, this is going to fit my needs perfectly, SBC, I want it, how long is it going to take for it to go over to common systems and be reevaluated for deployment?

MR. CRUZ: You know, Ann, this is Rod, and I'm not sure we have the experts in the room here that can address that. James and Marsha,

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unless you guys want to take a stab at it, we have a whole group that works on technology deployment. As you know, as an organization that unfortunately we did not have the notion to invite them, bring them to the meeting. So, it's an issue that I'll take and respond to you guys in the minutes to say what's the kind of process or the time line and what input would it take from the CLECs on that, because I think it's a good issue. I mean, I think if we're asking for SBC, or actually not SBC, but the ILEC or the TELCO to own those ADLU cards, you guys have some -- you know, some interest in the process of how we would determine and deploy new technology and what those -- you know, whether we're talking about SDSL or HDSL or IDSL that's not currently supported by the Alcatel manufacturer, so --

MS. MAYS: I was just going to say there's sort of two pieces to the question. One is what Ann points out on the Slide 18 which is this overall initial the vendor comes out with something new and obviously you guys need to take a look at it and it's a good question to say how long that would take, but then there's a really specific nitty-gritty question about deciding which RTs those new cards go in and if we already have RTs that are

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full with ADSL cards, what happens at that point even if perhaps they're not being fully utilized. You know, I mean, I see potential for a lot of open questions on this issue.

MR. CRUZ: So, to me the issue is that there's a process that would talk through actually identifying what technology would be deployed in the network and then, secondly, prioritization and actually what RTs would get this and how and when. Does that frame it correctly?

MS. MAYS: I think that's right.

MR. CRUZ: Okay. Like I said, let me run this by our technology deployment folks, and I can respond to the minutes on that issue.

MR. SAMSON: I mean, we won't have perfect answers on these because --

MR. CRUZ: I don't know anything about it, so I can't --

MR. SAMSON: -- we're kind of in Phase 1 and some of these questions are down the road as new cards are developed how would we handle it.

MR. BOYER: To your question about whether or not we had a process developed or not and I was saying we did not have a process, what I'm

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getting at is we have not, term, developed a process yet for us to put out a different vintage of card than what exists today. So, what I think the lady on the phone was getting to is the fact if somebody wants to deploy an HDSL card, we have not developed at this point a process to determine how we would determine which RT to put that card in, whether or not we would let a CLEC do that on one-by-one basis with a customer line, whether or not we would develop some sort of forecast in conjunction with the CLEC to put enough of those cards out there to support that infrastructure. Those are the types of issues that probably we need to get answered I would think.

MR. CRUZ: Mike.

MR. ZILLIBID: Yes, Mike Zillibid (phonetic), Covad. I was wondering when it was that you did the evaluation and determined that the Alcatel Litespan was the product of choice and was it at that time that the decision was made to restrict the downstream to 1.5 and upstream to 384 and why was that -- why were those numbers arrived at?

MS. FISCHER: Our decision to use Litespan was made late last year. Was it early?

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MR. KEOWN: January or February of last year.
MS. FISCHER: January or February.
UNIDENTIFIED SPEAKER: Of '99?
MS. FISCHER: '99. Go ahead.
MR. SAMSON: James would like to help with this question.
MR. KEOWN: Well, understand that we had made a decision from an economic standpoint before the merger and before all these other things happened to deploy Litespan as our DLC regardless of DSL capabilities because of some economic benefits we got from Litespan. So, we had done an evaluation actually during '98 and part of '99 and had made a company decision to deploy Litespan as a DLC product. We knew that they were also looking at expanding that product to a DSL capable Litespan unit, so we just -- it just kind of meshed right into where we were going with the technology.
MS. FISCHER: But on the cards the capability for 6 meg exists.
MR. KEOWN: As far as I know.
MR. ZILLIBID: So, why are we limited then to 1.5 downstream and 384 upstream? We may want to offer higher speeds, for instance.

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UNIDENTIFIED SPEAKER: In that proposed contract language.
MR. BOYER: I was just going to say that with the SOLID system we're putting together in the profiles, we'll allow you to build a profile with whatever value can be supported by the Litespan. So, if the Litespan can support a 6 megabit downstream speed, when you build your profile we'll allow you to put an integer value in there that is consistent with that speed, so --
MR. SAMSON: I think a key point to that is, though, you know, you can put the value in but whatever performance is whatever performance you get. You know, we're not going to guarantee that because you set your profile up for 6 meg downstream that your end user will in fact realize that because, as you know, there will be inference issues or cable issues or this, that or the other. But we were just discussing, I'm not aware that we've limited it to 1.5.
UNIDENTIFIED SPEAKER: It should not be. If it's misstated in there --
MR. CRUZ: Mike, is there something in the --
MS. TAFF-RICE: Maybe I can help with

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that. It's in Section 8.8 of the draft contract language that was submitted to the FCC. So, maybe that contract language is wrong. If it is, we need to find that out and find out if that's going to be changed.
MR. BOYER: At the time -- at the time that product was -- that contract language was written, like I said at the beginning of the presentation, the product has been redefined and we worked on the development of SOLID. At the time that was written, the SOLID system did not exist. So, we are working on trying to -- we decided that we wanted to make a decision to make the product more flexible for our customers, so we have developed this SOLID system to try to build in the flexibility.
My understanding is that the network management system that supports the Litespan will support up to an 8,192 kilobit downstream speed, so we will allow you using the profile on the SOLID system to develop downstream product that will offer up to that speed, as Allan had indicated, so long as it's technically feasible over the loop meaning that assuming that the Litespan card can support that level of speed and not all the technical issues are

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resolved. But in terms of whatever is allowed over Litespan we will allow you to build in your profile.
MS. GENTRY: But that raises the question -- Jo Gentry, Rhythms. You've said several things today that you have changed since three weeks ago when you made your filing. When are you making an amendment to your filing? Because the way you positioned it with the FCC is please approve what I've given you and I've told you. So, obviously you've had a learning curve in the last few weeks. I would certainly think that what's on file now is totally outdated and indirectly needs to be modified for this. Would it not be better just to pull that filing and like start over or amend it immediately because right now we're not even being told the same story that we read.
MR. SAMSON: I'm not sure it's totally out of date, Jo. I wouldn't go quite that far.
MS. GENTRY: Are you going to update it or are you going to leave it?
MR. SAMSON: Given that comments are due in two days, I mean, I don't know. I won't speak for Rod. I don't know that they're -- if we need to update it or anything, I think part of this

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session is to clarify questions that you may have. I don't know. It's up to you guys.

MR. BOYER: It was.

MR. SAMSON: It was what?

MR. BOYER: I planned on in this session to hopefully if there were specific questions about the contract language that was put out with the FCC, I can address those. I can take those now about what has changed. The essential change has been the issue of the speed. That's been the biggest change that we've done is tried to offer -- we built in more flexibility in the product, so that's been the most fundamental change that's happened.

MS. TAFF-RICE: Chris, could you just go over those maybe rather than having us just ask you one question at a time? Could you give us a list of the major changes?

MR. BOYER: Well, that is the major change. The major change is that there's additional flexibility built into the actual -- what speeds are capable over the Litespan equipment. I think in the contract language I think it does limit to 1.544 speed. We are no longer putting that limitation on the product itself. There have been some other

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issues that have come up like, for instance, the CLEC will have to go in and build a profile. That's not even talked about in the contract language. I mean, we're going to have to make some joint decisions about how the -- like, for instance, how is the CLEC going to have access to the profile and what's the connection going to look like, where are they going to go in and build the profile, intervals need to be decided upon as far as how much time needs to be allocated for building the profile. Those types of issues need to be jointly discussed I would think in the context of developing any kind of final product language or contract language.

MS. GENTRY: But there were people this morning or earlier that talked about the integrated issue, and that obviously is a significant one to many people in the room that was not addressed in your filing. I would think that you either need to resolve it internally so that you can make your business decision if you're going to preclude them from that. That is something that is imperative to be addressed immediately.

MR. SAMSON: Well, Jo, I think that clearly a little bit of a chicken and egg here. I mean, we don't have every decision made, every

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process worked out, every interval, how do you incorporate the next card, this and that, and obviously when you share with the CLECs there's going to be additional questions.

I think where we're at, the point in the process we're at is that we need to decide whether we're going to own this card or the CLECs are going to own this card, and based on that decision the work that flows from it is significantly different. And so we're kind of wanting to get enough detail to give you a flavor of this is how it would work. Obviously if the FCC were to approve that and we were to own it, this would become a UNE subject to whatever, you know, regulation that goes along with that. But, you know, we wouldn't want to gold plate with every question answered and every process developed, then go to the FCC with this, you know, massive product that says, okay, now you can't do that.

So, I think it is well thought out, Jo. I don't appreciate that. I think we've thought through several parts of this. Now we're looking for some feedback. Are we heading in the right direction or are we not. I mean, so just to set your expectations there.

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MR. CRUZ: I can speak from a product perspective. That's exactly where we are in the process. I mean, we're trying to be as forthright with all the information we have in front of us. We're having this forum to share all the information we have to say here's the issue, and from a product perspective as we develop our process and design the product and then before really getting the work teams to start doing provisioning close requirements, IT, to really invest time and resources into our systems and programming, et-cetera, here's -- let me bounce off of you guys where we're at and where we're stuck and we need some help.

So, I mean, to Allan's point, we don't have finalized contract language. Things are still in flux and that's why when that stuff was filed with the FCC it was clearly labeled as a draft, as a work in progress as things were still moving, and we just needed to get some direction from them and other members of the CLEC community to provide us feedback. So, I would echo his sentiments exactly that we're at the point in the process that if we had to change the course of direction, it's going to have severe -- not severe, but significant impacts

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on the work product that we're on right now.
MS. TAFF-RICE: Could I just follow up on that then?
MR. CRUZ: Sure. Name and company, please.
MS. TAFF-RICE: Anita Taff-Rice with Rhythms. One question that we have is the inclusion in the contract language of a section on spectrum management. I think a lot of people in this room are aware that spectrum management has been ordered to be dismantled by both the FCC and the Texas PUC. Can you explain to us why that language is in there and what your process is going to be for imposing that?
MR. SAMSON: Well, I disagree with your characterization. I don't know that spectrum management -- we disagree perhaps on that definition. I think SFS in some binder group management aspects have been ordered to be discontinued and SBC's complying with that. Spectrum management in terms of do you identify a PSD mask, do you inventory some of that, do you share that on loop qual request, you know, you may not characterize that as spectrum management, we may. So, just to set the record straight on that.

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My understanding is that the language in there is similar to the language that is in the DSL appendix similar to the appendix that Rhythms has signed in the state of Texas, so --
MS. TAFF-RICE: Well, let me be clear with you, Allan. The reason I ask this question is that we did, Rhythms did have an earlier meeting with SBC representatives trying to understand some of the specifics of the contract language, and when we asked about this section we were told that the draft was put together fairly quickly and that in fact that may have been an inadvertent inclusion in the contract. So, I'm just trying to understand, is it going to be a spectrum management program or not and, if so, we need some details to understand what's going to be involved with that.
MR. SAMSON: The spectrum management section of the contract -- and, James, do you want to -- do you want to add a comment real fast?
MR. KEOWN: I was in there part of that call, and during that particular section of the conversation we talked SFS and BGM have been essentially done away with in our company and I think I even reiterated the fact that I was one of those that helped write the letter that says we will

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no longer do SFS and BGM in Southwestern Bell. But Allan is exactly right on PSD. But even in the line-sharing order I think it still says somewhere in there that we need to have that PSD information available as that -- as those orders come through, so --
MR. SAMSON: We filed in California today and we passed out to the line-sharing participants in the trial in today's meeting the language we filed in California that has -- not PRONTO language but the line-sharing language. It has a section on spectrum management that essentially says we'll abide by national standards, the CLECs will tell us the PSD mask, we'll inventory that and we'll share it on a loop qual form. That at a high level without going into a lot of detail is sort of the essence, if you want to call it spectrum management, of what would apply here as well. Yes, Mike.
MR. ZILLIBID: One other question. This is Mike Zillback of Covad. There was some discussion earlier about the availability of copper once you place this in the network. And having done a lot of network planning and relief and so forth, one of the justifications for putting in digital

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loop carrier was taking a look at the ability to reuse that existing copper to relieve all of the feeder and distribution between where you're going to place that DLC and the central office. And I'm assuming that that same kind of thought went into the areas where you're going to be deploying this. Now, what that does to me is really raise some concerns about the availability then of copper beyond that DLC to serve customers that we may want to choose to keep on copper because over a period of a year or two you're going to be using that copper to relieve rather than putting in new copper between the DLC and the central office.
MR. SAMSON: I don't know that I agree with all of that, per se. James, do you want to take a shot or -- I don't know that I even understand it enough to --
MS. FISCHER: I'm not sure it really is a question. I think it's just a statement of concern.
MR. ZILLIBID: It is. And it gets back to what James and you folks had said earlier that you -- and that you're not going to dismantle any copper, and I'm sure you're not going to dismantle any copper. But the reality of it is

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you're going to reuse that copper out to the point where that DLC is to relieve customers closer into the CO which over time will leave fewer and fewer copper carriers available to serve those, say, beyond that which could be 10 kilofeet, 12 kilofeet or whatever. So, over time you're not going to have the copper pairs to feed people out there at 18 kilofeet even if we want copper pairs to serve those customers.

MR. SAMSON: I think that is a statement. I don't know that SBC -- I don't want you to think by not addressing it we agree with you. I mean, to the extent that we place regular digital carrier, forget DSL or PRONTO, I mean, the network evolves, the network changes, we deploy this, we deploy that, it all has an impact on the network whether it's this PRONTO Litespan equipment or just a slick 96 or whatever else we choose to deploy. So, I think it's something to think about, Mike, but I don't know that it's as definitive of an outcome as perhaps you might believe it is would be my response. Yes, ma'am.

MS. ESCOBEDO: Pat Escobedo, Connect South. I want to confirm something. If TELCO owns the ADLU card, are you saying that the CLEC use of

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either Proposal 1 or 2 is precluded?

MR. BOYER: Well, I mean, if the TELCO owned the ADLU card there would be no reason for the CLEC to purchase their own card and have it placed, an ADLU card and have it placed. We would offer a port on an ADLU card in conjunction with our UNE product so you could purchase a port on that card.

MS. ESCOBEDO: But that doesn't quite answer my question. Are you saying that --

MR. CRUZ: We would prefer to --

MS. ESCOBEDO: -- use of Proposal 1 and 2 by the CLEC would be precluded?

MR. CRUZ: We would prefer to have Option 3 and Option 3 only. So, the answer to your question is yes.

MR. SAMSON: A CLEC can still place a DSLAM at the RT or adjacent to the RT and other options exist, right.

MR. CRUZ: That gentleman in the gray shirt's had his hand up for a while.

MR. UPTON: Bill Upton, Sprint, Broadband Local Networks. Drawing 21, please. When you get to Drawing 21 you're going to see your UNE Loop No. 1 and UNE Loop No. 2. I'm very clear on --

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I think I'm very clear on what No. 1 encompasses. My question is, I'm not sure about No. 2. And there appears to be a gap between 1 and 2 which is the distance between the serving area interface where there's a 1 in parentheses and the digital loop carrier itself.

MR. BOYER: I can address that. The first UNE basically consists of all the copper facility from the RT out to the end user. The reason it's drawn this way is because the reality of it is, is that the actual copper facility from the Litespan out to the SAI is integrated into the Litespan or digital loop carrier equipment, so the point of access is going to be out at the SAI. You're not going to be able to go into the RT and physically gain access to the copper UNE at that point, so the reason it's drawn this way is just to reflect the point of access is at the SAI.

MR. UPTON: And so this is reflective of PRONTO which is your new deployments only?

MR. BOYER: Right.

MR. UPTON: And the original cover that I got for this meeting, it said PRONTO and it said Connecticut, but are you representing PRONTO across all of SBC today?

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MR. BOYER: Yes.

MR. UPTON: So, I find that unacceptable. I would prefer to be able to intercept that loop at that digital loop carrier, but I understand this is the PRONTO offer.

MR. SAMSON: Let me ask a question to that. Are you talking in the event that you just wanted sub-loop distribution, where would your point of access be?

MR. UPTON: Yeah.

MR. SAMSON: Let me address that. Our sub-loop product team, you know, trying to work to develop the product in compliance with UNE Remand is looking at a couple of options and we're wrestling with that. In some cases, you know, as you read the UNE Remand order it says we're not obligated to unbundle at a place where we've got to break open a splice case. Some of the RTs that we have have protector frames and you would have to break into that frame, so there's a thought that says is that really an access point. In that scenario the natural cross-connect point is the SAI and so -- and I don't know where we'll land, but the product team is looking at, okay, perhaps we make it available at the SAI.

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As you probably know, there are multiple SAIs that feed into a single RT in many cases, and so it might be more convenient from the CLEC perspective as well as SBC's perspective even though the UNE Remand doesn't require it to go ahead and break into that protector frame, pull out a 25 pair from each SAI, put in some sort of a cross-connect panel there and allow access to the sub-loop at the RT. I think what the PROJECT PRONTO product team has had to do in order to develop this is to go with what we know, and what we know is in most cases the SAI interface is the place. I'll tell you that the sub-loop team irrespective of DSL that's working on the sub-loop product hasn't fully resolved that. And so I wouldn't want you to walk away today saying that's SBC's sub-loop offering across all the states.

MR. UPTON: No, I didn't have that impression. I just want to make sure this is the PRONTO offering, and that adds clarity to it. In PRONTO these are my options.

MR. SAMSON: Right. Although, I don't know, James, that you could speak to -- to the extent that SBC and its sub-loop offering does go ahead and break that protector and put in a little

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cross-connect panel there, this might need to adjust to that.

MR. CRUZ: And I can speak to that. I would envision that whatever sub-loop product offering SBC creates across the 13 states we would have to incorporate into this model later, so I think we'll at least look at that and see how it would fit and address issues like Allan has just talked about at the RT. So, I think officially today since we still have some more to do with respect to the UNE Remand sub-loop or this is what we have, you're correct. So, as of 3:45 on March 1 this is it but, you know, by -- I think the sub-loop is effective in a couple of weeks. Then obviously we have to look at that and incorporate that in the product.

MR. UPTON: Just one final comment since I've been waiting awhile. In fueling this fire over here about reducing the number of loops that are accessible out of the central office for DSL services, that's really a reflection on how SBC cuts over their digital loop carriers. If you put those in inside of that central office serving area and you're doing it only for new customers, then I think the fear of what they're talking about, you're

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not diminishing the number of loops but you're not adding to them either. You're keeping it rather static. However, if you go into those old neighborhoods and you cut those old customers into those new DLCs, they have a valid concern. You've now diminished the number of loops accessible to them for DSL services out of the CO.

MR. SAMSON: Would you make that statement even if in that existing neighborhood that we cut that in we don't tear out the F1 cable?

MR. UPTON: It's not a matter of whether you tear it out or not. It's the loop on the other side of the digital loop carrier that concerns me the most, I believe. Well, yeah, it's both pieces. I'm sorry.

MR. SAMSON: It seems to me that by the deployment of the digital loop carrier, you've increased your F1 total capacity. You have the same F2. We're not changing -- I mean, that's going to ebb and flow as it would for normal demise.

MR. UPTON: That's their theory; if you cut that F2 into that new digital loop carrier, they've lost that copper access direct.

MR. SAMSON: Well, but let me -- think with me on that. If we just have a greater

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supply of F1 and an order comes to us that says I need a copper pair, SBC would have the flexibility, you know, if it was an analog 8 DB loop, we might assign the F1 portion of that complete loop through the Litespan. If it's a DSL, SDSL capable, I want all copper loop, we would have that F1. So, the same F2 is out there and we actually have more flexibility to either tie it to a copper F1 or a Litespan F1. So, I still can't see how --

MR. UPTON: That actually should help them with their argue -- understand. What you just said should help them then.

MR. SAMSON: Okay.

MR. UPTON: They have the flexibility to use the loop.

UNIDENTIFIED SPEAKER: But the argument is, if the guy's already at 25 or 30 KF --

MR. UPTON: That's outside of the central office serving area.

UNIDENTIFIED SPEAKER: But you're talking about people working on copper. If you cut him to pair gain, you increase the amount of copper available for DSL inside the 17.

MR. SAMSON: Yeah. I mean, I'll admit that before this morning I didn't think a lot

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about that, but it seems as I'm walking through that live with y'all it seems like it should increase, not decrease. But, you know, upon further review we might see that there's a flaw in my logic there. Howard, you had a question?

MR. CRUZ: Well, the gentleman --

MR. SAMSON: I'm sorry.

MR. CRUZ: We'll get to you in one second, Howard.

MR. SAMSON: There's someone over here actually that's been waiting forever.

MR. CRUZ: Well, let me get this gentleman.

MR. SAMSON: Okay.

MR. FAVORS: Steve Favors with Logix Communications. I want to make just one comment on that. Probably for years Southwestern long-range planning strategy has been to reduce the central office serving area to 9 kilofoot by deploying distribution areas, SAIs, anything outside that 9 kilofoot. And, you know, unless they've drastically changed their direction, I would assume that a lot of these deployments of the DLC is going to end up doing just that, working toward that ultimate plan of reducing the central office serving area size to

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9 kilofoot. Everything else beyond that point would be served by digital loop carrier.

MR. SAMSON: There's a couple of things I would respond to that. Number one is that, you know, some things have happened obviously, UNE Remand and some other orders have come out that bring some obligations that perhaps we didn't have four years ago or three years ago. That's one thing I would say. The other thing is I think the FCC recognizes that we have to manage this network. And again, if you just forget PRONTO, if we were going to deploy fiber to some distribution area and do regular digital carrier, whether we were going to do that or not really isn't the discussion, I don't think. Maybe I'm wrong in what we're trying to accomplish today. You know, that fear exists, in other words, with or without PRONTO. PRONTO's a digital loop carrier device, happens to be a DSL capable device, but it's still a digital loop carrier. And so what we're saying is, as we deploy it a couple options exist. We can own the card or you can own the card. What's the debate here is, is it better that we own the card or is it better that you own the card. We're not really trying to debate through this filing the pros or cons of digital loop

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carrier out in the network. And so I just want to make sure we're not trying to solve the wrong issue. The issue is card ownership.

MR. FAVORS: Well, that's where it ties in with really the question.

MR. SAMSON: I mean, James, do you want to add anything to that?

MR. FAVORS: The question I had was, is Southwestern Bell in deploying their DSL, are they going to use this same architecture that you're asking or you're proposing here? Are they going to use that same architecture to serve up their DSL customers out in the RTs?

MR. SAMSON: Well, Southwestern Bell, as you know, of course will have a data affiliate that will provide DSL, so the TELCO operations will not be providing DSL. As a fully functional data CLEC, they will be treated at parity with the rest of the CLEC community. So, yes, if we own the card they would buy these unbundled elements as you see them, they will go through SOLID, they will do the things that you all will do. To the extent that if a decision comes out that says the CLECs will have to own the cards, then ASI and AADS will have to go out and buy these cards and play by those rules.

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So, yes, it would be parity either way that apple slices. We're just looking for some acknowledgment of what's the most efficient and the best way and most expedient way to do this.

MR. HUGMAN: Chris Hugman with Connect South. Couple of questions. First, has Southwestern Bell decided that it is your position that you want to own the card?

MR. CRUZ: Yes.

MR. SAMSON: Yes.

MR. HUGMAN: That's your position, okay. Secondly, from a management --

MR. CRUZ: Just, Chris, for a point of clarification, that's what we filed with the FCC for the clarity on the merger conditions.

MR. HUGMAN: Okay. So that's -- from your standpoint that's really not open for discussion any further.

MR. SAMSON: No, it is. That's what we're here about. We're recommending. You know, we've looked at what would it be if the CLECs were to own the card. And I think Chris went through a presentation that said as we went down that path, here's all these obstacles that we kind of ran into. So then we thought, you know, if we owned the

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card, a lot of those go away and it gets simpler. And so we've gone forward and said there may be some concern with the merger requirements and other things, can we own this card, it's our recommendation, here's the pros and cons, and this is your opportunity to kind of say we think that is the better alternative or not.

MR. CRUZ: And, Chris, the idea is that the further merger conditions and the creation of the advanced services data affiliate, every advanced services must be obviously distributed by that affiliate and they have to own all the advanced services equipment. The ADLU card because it has, you know, it goes packetized 56K upstream or downstream bits go through there, they must own that card per the merger conditions, the --

MR. SAMSON: Arguably.

MR. CRUZ: Arguably. So, we're saying -- we're saying we just want some latitude with respect to that.

MR. HUGMAN: I just wanted to know how firm you were on that, but let me ask my next question. From a management standpoint of the card at the service, I need to do a line test. I mean, how do I get my network management systems

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interfaced to your systems so that I can test the line or do a quality check or collect performance data?

MR. SAMSON: That's a great question.

MR. CRUZ: Charlie Brown punt.

MR. SAMSON: I'm excited to hear the answer.

MR. KEOWN: Me too.

MS. SMITH: Can you repeat the question?

MR. SAMSON: It was great, trust us. The question was, I believe, let me recap and you tell me if I'm right. In a world where SBC TELCO operations owns the card and installs it and we provide this broadband UNE, what network management tools are available to the CLEC to get into that UNE and test it through for customer service reasons.

MR. KEOWN: And the answer I give probably won't be as great as the question, but we are looking at test heads and test devices that we can deploy in the remote terminals that through proxy servers and web browsers will allow CLECs to be able to access and test those loops. That is still being fleshed out technologically how we'll do that and product wise what we choose to do that

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with, but we recognize that as a need and recognize that as a desire and we're trying to work on how to make that work.

MR. HUGMAN: And just so -- you know, it's not just a test issue, it's a traffic measurement issue on a per-port basis and --

MR. KEOWN: QS type data?

MR. HUGMAN: Well, that's another question is UVR today, when can I get some CVR or PVC or some other level QOS? You know, and following onto that, your end points, are they ATM-based end points or are they IT-based end points? What are the number of end points? Do you have a -- let me just throw them all out here. Do you have a technical somebody that we can call and talk to or have our engineers talk to related to the Litespan 2000 to just ask some fundamental engineering questions and some resource available for us to do that?

MR. CRUZ: I think we can definitely set that up, Chris, and go through the account team negotiations perspective and provide you any information you need from our technical perspective.

MR. SAMSON: There may be some contacts at Alcatel James could make available that

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you could contact directly irrespective of us. I'm sure they'd be excited to share with you the ups and downs and probably all the ups of their product. If you have really technical Alcatel-specific questions, it might be the most expedient route to get directly with them.

MR. KEOWN: Allan has the right answer, I think. Alcatel is available, so you can ask all those questions too. Obviously we didn't design the equipment. We know quite a bit about it with some of our technical folks, but some of the real detailed technical questions we don't and we have to go to Alcatel ourselves. So, I would encourage you to call the Alcatel folks. I'm sure, like Al, they'd be happy to.

MS. TAFF-RICE: James, could you just answer his question about quality of service because in the contract it says that what you'll get from PVC has an unspecified bit rate. Can you explain what that means and how is it that we're going to get any kind of guarantee, or are we not going to get guarantee?

MR. KEOWN: I don't know that I want to -- I don't know that I know enough to answer the question about guarantees, but I can tell you --

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MR. BOYER: Do you want me to take that? I don't know.
MR. MURTHY: I also want to add, if I may, to that. Especially if there's a video where you need to be concerned about this at all, because video service going to provide all DSL, the question that she asked from Rhythm is more appropriate. I mean, I have no other questions on that.
MR. KEOWN: I can tell you that the Alcatel equipment gives us QS data that we can provide on your services, and of course the NavisCore, the Lucent box has QS data in it, PVCs that run through it. So, we have that data available and I guess we just work that into the product.
MR. CRUZ: I think we're on specified bit rate.
MR. KEOWN: The unspecified bit rate though is the --
MR. BOYER: The actual -- the SOLID system they're developing is under development now. It's not completely done yet. We're doing a lot of work on developing that system and we have had conversations with the SOLID -- with the team that's work -- the IT team that's working on that product

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to talk about making the various reports available that are done today to measure traffic and density of the -- which is what you were getting at is the traffic and density reports that need to be pulled out of that system. So, I mean, that's stuff that we are considering. We might make, decide to make the decision to make that available to the CLEC community. Like I said, right now that product is in the middle of being developed by IT, so I really can't tell you one way or the other whether or not that's going to be made available. I mean, certainly that's -- obviously that's a recommendation of stuff that you would probably need, so we can certainly look into that.
In regards to the unspecified bit rate, we have had quite a few conversations about a constant bit rate type of service offering. At this point in time because of the -- because of the nature of the fact that this technology's being deployed now and we want to get a product deployed and available in a very short time frame, we have not fully evaluated the constant bit rate application, but it is something that we have discussed.
UNIDENTIFIED SPEAKER: And what is the limitation of -- what is the impact of just

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having unspecified bit rate available?
MR. BOYER: Unspecified bit rate basically means that if you have a customer out there with a DSL type service, we're not specifying a bit rate up or down. I mean, if you go into the SOLID system, you provision a maximum upstream of 8,192, our viewpoint is that the OC-3 pipe back to the central office is so fat, if that's what you want to call it, that's a good word, that it'll support our traffic forecast so that it'll support just about anything up or downstream over that pipe, meaning that if you had just about everybody out there, everybody out there that had DSL and they were all going at 8,192, the pipe's still fat enough to support that today. So, when you go into the SOLID system and you specify your maximum downstream speed, we can't guarantee you but you should get something pretty close to that, whatever that speed is, all the time because it's packetized, as you know. You won't see all these constant streams going across there. Now, I agree there's a problem with the constant bit rate, you know, in the future as new technologies are deployed and as we see streaming video over DSL or voice over DSL, or other types of technologies deployed. I agree there's

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definitely some things we need to consider in regards to CVR. But unspecified basically means that you'll get -- up or down you should get a pretty broad spectrum of speeds.
MR. MURTHY: Can I ask a question related to what he asked?
MR. CRUZ: Actually I'm going to hold you because she's had her hand in the back up for quite a while.
MR. MURTHY: Okay. Fine.
UNIDENTIFIED SPEAKER: I had various questions while that's going through. In relation to the UBR, CBR, VBR and RT options, what about multiple PVCs over the same DSL connection? Is that going to be an option that we can have on SOLID whereby we might have up to 2, 4, whatever PVCs per DSL map?
MR. BOYER: We haven't fully -- we haven't made a product, a fundamental product decision about whether or not we would offer multiple PVCs. I do think that in the future that will probably happen.
UNIDENTIFIED SPEAKER: Okay. And one very general question. When this -- when PRONTO's said and done, what percentage of SBC's loops in the

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metropolitan areas will be on these new DLCs as well as existing DLCs that are out there?
MR. BOYER: I can't speak for how many of the loops will be on the new DLC. I think our objective is to make 80 percent of our serving area available for DSL services, so --
MR. SAMSON: Either through PRONTO or through existing copper loops.
MR. BOYER: Either through PRONTO or through existing copper loops. I don't know for sure how many will be on the new DLC.
UNIDENTIFIED SPEAKER: But that's not very helpful if you're going to be having these less than 18,000 kilofeet and giving us an idea because there's overlap of people that currently can get DSL technologies and also are going to be served by this, so there's --
MR. CRUZ: Why don't we take an action unless -- James, unless you know the answer.
MR. KEOWN: And maybe this will address the issue of will we have enough copper, will copper disappear and all these things. PROJECT PRONTO is, for the lack of a better phrase, and please don't -- almost have the video turned off, but for the lack of a better phrase, it's kind of an

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overlay network. We're not putting it in, going to a neighborhood and cutting 600 customers over to PROJECT PRONTO. The customers that are working today on copper when we get through building PROJECT PRONTO will continue to work on copper. Allan stated earlier and he was exactly right, at least my vision of the same way, is that as a customer decides to go to a DSL, if he's out at the 18 kilofeet level or 18 kilofeet length, if he goes over to PROJECT PRONTO, then that piece of copper is still there. We haven't -- we aren't going to tear it out. It's going to be there available. So, if you have somebody that's 10 kilofeet or 15 kilofeet and you want to try to serve them over that copper loop if it's available, then we'll make it available unless I misspeaking, Allan or Rod. But the copper loop itself will be there.
UNIDENTIFIED SPEAKER: From the perspective of knowing what percentage, I mean, looking at just pure customers that we can have on the line-sharing arrangement, what percentage can we -- approximate percentage can we expect will be on DLCs versus the hosts and remotes that currently have CO-based DSLAMs?
MR. KEOWN: I think the answer is,

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again, we aren't going to cut anybody over to the PROJECT PRONTO unless they buy DSL or unless there's some cases where there's --
UNIDENTIFIED SPEAKER: See, but I just -- but that's different than what we just heard. We heard you're going to proactively cut over neighborhoods to DLCs. Now I'm saying it's done on a per demand, DSL demand basis.
MR. KEOWN: I'm sorry, we either miscommunicated, but we're going to build these in neighborhood gateways so that as customers demand or desire DSL services we can roll them over to PROJECT PRONTO. They will be -- they will be neighborhood gateways, but we are not going into neighborhoods and just building these things and cutting customers over wholesale. That's not the intent of this project. So, to get a percent of how many of our lines will be there, Chris stated earlier and Allan too that we're making available to approximately 80 percent of our customer base DSL capable loops.
UNIDENTIFIED SPEAKER: Okay. Let's run through this scenario then. You deploy a Litespan 2000 as a neighborhood gateway serving three neighborhoods. First customer that is on the existing hose hasn't been thrown over yet because

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you're doing it on a demand basis. First customer calls in and says I want DSL. What happens? And that loop is actually off the original host is 18,000 feet. What happens at that particular point?
MR. SAMSON: Let me jump in and help here because who are they calling? Are they calling Covad to order that or are they calling SBC's ASI?
UNIDENTIFIED SPEAKER: SBC, the data affiliate.
MR. SAMSON: The data affiliate's going to make a decision then. They're going to get their loop qual information back and they're going to specify a UNE they want to purchase. They're either going to specify an xDSL all copper loop or they're going to specify Chris Boyer or the UNEs that Chris Boyer has walked you through today. So, the TELCO is going to wait to receive a UNE order from ASI, from Covad, from any other data or integrated CLEC out there and based on what that CLEC chooses to do will determine how the TELCO assigns a pair to serve that customer.
UNIDENTIFIED SPEAKER: So, it's very perceivable that when you put that new Litespan 2000 in as a neighborhood DLE gateway or whatever it is,

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that it might not serve as any POTS customers if you don't put new neighborhoods or new lines out there until that first demand comes in. Is that conceivable?

MR. SAMSON: You asked -- well, I'm not sure I fully understood. Let me answer it this way and you tell me if I missed it. You just asked a different question. What you said before was, if someone orders DSL, what happens. What you just said now is no POTS customers will ever go on there. If a customer calls up and orders just POTS, no DSL at all, James would have to speak to, we'll probably go to provision of POTS loop and if it turns out that we have digital loop carrier and we provide them over just the voice part of this, we may do that. If we serve them over all copper, we may do that if it's just strictly POTS only.

UNIDENTIFIED SPEAKER: I'm talking existing customers. You're going to put that gateway in there and I just heard that you're not going to do wholesale loop throws onto that DLCs, not proactively. So, you're going to have a new DLC sitting out there. The first -- until the first DSL demand customer comes in, unless you don't -- I mean, let's assume that you don't have any POTS

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demand coming into that new neighborhood or gateway.

MR. SAMSON: Zero POTS growth, okay.

UNIDENTIFIED SPEAKER: So, is it very -- it's very conceivable until that first DSL demand comes in you're not going to throw any loops onto that new DLC. You might not have any POTS customers off that DLC.

MR. SAMSON: Given the assumptions you've stated, I think that's true. Now, what's the likelihood of zero POTS growth, probably not very good. What's the likelihood of zero DSL growth for any extended period of time, probably not very good. But if you take those as givens in your hypothetical situation, that could happen.

UNIDENTIFIED SPEAKER: But no proactive existing customers thrown onto that particular DLC unless we have DSL demand of those customers, existing customers. That's what I'm hearing. I just want to make sure it's real clear.

MR. SAMSON: Based on what we know today, that's right.

UNIDENTIFIED SPEAKER: Okay.

MR. SAMSON: Let me just do a gut check for everybody here real quick. It's 4:10, and we can go as long as we need to go. I just want to

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make sure we haven't lost sight of what the issue to be decided is. Again, we're not debating and I don't think the FCC's deciding whether or not SBC can deploy digital loop carrier devices and, if they do, what cable configurations go along with that. I think the issue before the FCC is, is the CLEC going to own the card or is SBC going to own the card.

MR. CRUZ: SBC the ILEC.

MR. SAMSON: SBC the ILEC. And so, I mean, we'll be happy to talk about our digital loop carrier plans, but at the end of the day I'm not sure that's the question that the FCC is asking or that we've asked the FCC. I won't speak for what they're asking you all. So, I just want to make sure that we haven't used all our time talking digital loop carrier and sort of missed maybe the better questions that deal with card ownership and pros and cons, because one way -- I mean, I don't know what our plans are, but we're probably going to deploy digital loop carrier in some form in our network --

MR. CRUZ: Irrelevant to --

MR. SAMSON: -- irrelevant to this discussion. The issue is, should we own these cards or should you own these cards. I guess I just want

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to make sure I level set there and we don't use our time inappropriately. Yes, ma'am.

MS. ESCOBEDO: Pat Escobedo, Connect South. I thought the real question was whether TELCO could own the card rather than ASI could own the card, the equipment.

MR. CRUZ: If that's -- if you expand that, then I'll not only tell you it's ASI but it's any of the other CLECs. So, it's either does the ILEC own the ADLU plug cards along with the OCD or does the CLEC, do the CLECs own those cards.

MR. SAMSON: Including ASI.

MR. CRUZ: Including ASI.

MS. ESCOBEDO: And my question would be, why can't the CLEC also own the card?

MR. CRUZ: You want to know why don't we do all the options?

MS. ESCOBEDO: Right, I meant all options.

MR. SAMSON: I don't know that there's an upside to that. I can certainly speak that there's a lot of downsides. Just from an M&P perspective there's a lot of downsides. You have to have both these processes and develop this card pile over here that this is owned by the TELCO and this

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is owned by the CLEC. It seems simpler and more efficient to do it one or the other. If we can own it, then that would be the product that we roll out.

MR. CRUZ: And I can speak from a product perspective. If we have to go out and sustain, oh, maybe two or three flavors of this product, the work is more complicated. I'm not sure I'm going to get much pity from anybody if I go tell that story, but just a plain provisioning flow, service order, processing, ordering, provisioning perspective, it is just ugly. It's ugly in probably just about any way, shape or form you look at today, but it's even a little more cumbersome. So, I'll get right to you because Sharon had a question.

MS. THOMAS: Yeah, I had a question about the response that you gave previously about not proactively switching the POTS customers.

MR. CRUZ: Well, Sharon, I really don't want to -- I really want --

MS. THOMAS: Well, because I want to read something that was in this letter that SBC sent to the FCC because it seems inconsistent with that, so -- and we do have comments due on Friday and I think the issue was, is what you sent to the FCC something that we should be commenting on or are we

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commenting on something completely different? I mean, in this letter you say -- you're basically trying to justify that you really don't think you need an exemption of the merger conditions because you really think these cards are not only to provide advanced services and you say, "In fact, the majority of the cards will be used to provide POTS services rather than advanced services, at least initially." And that kind of suggests that maybe there will be some proactive transition of POTS customers before they actually have ordered, you know, DSL services. And so I just wanted to see if we could get some clarification on that because we are planning to respond to this letter and we kind of need to understand.

MR. CRUZ: Great. James, do you want to take a crack at that?

MR. KEOWN: If we're in a neighborhood, if we're in a situation where we have deployed one of these DLCs -- and again, I stated that we started looking at DLCs years ago, but we started looking at the DLC, this particular product '98 through '99, first part of '99. If we're in a neighborhood where we have exhausted our copper capacity, then the next growth vehicle is going to

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be the DLC. So, we will grow lines in the DLC if that's the case. If we still have copper facilities or some other facilities to serve the customer, our provisioning system will grab a pair and assign a customer for growth, but not just a wholesale go out and cut some existing customer over to the existing DLC. That's not -- those aren't the plans.

MR. SAMSON: There's no benefit to doing -- I mean, you incur expense and work to do that and what would be the benefit? If they're working where they are, then we'd leave them where they are.

MR. KEOWN: You have to buy a POTS card, you have to go out and cut them over, you have to do a lot of things that just absolutely is a waste of our resources to do it. So, if it exists as an existing customer, we aren't going to go over and cut them over.

MR. CRUZ: Sharon, is that clear? Does that help you?

MS. THOMAS: Well, yeah, I think it's helpful. But the other concern I had, I think we've been talking about these cards, and this sort of gets to the question of who should own them, the concerns about the technology and whether they'll

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support other types of DSL. And I guess another concern would be I assume these cards as I understand it have to be compatible with the equipment that's at the end user location. And so if let's say we're not using Alcatel at the end user location, I don't know if it has to be exactly the same, but whatever the, you know, whatever kind of signal it's sending, even as Alcatel develops the technology to serve different types of DSL, is somebody -- say they have a whole inventory of CPE that doesn't match Alcatel, what happens then? They just don't -- it doesn't work. And, I mean, I guess that leads to the possibility that maybe you need to let the CLECs have their own cards. But then I'm curious, do the RTs, are the racks in the RTs only -- do they only fit the Alcatel cards?

MS. FISCHER: Yes.

MR. KEOWN: Yes.

MR. CRUZ: And I'm -- and, Sharon, I'm not sure that I agree that the cards have to be compatible with the CPE equipment. James, is that consistent with what you know?

MR. KEOWN: Well, the chips have to match.

MR. CRUZ: But, I mean, you can have

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different manufacturers and different --
MR. KEOWN: Yes, absolutely.
MR. CRUZ: -- as long as they're talking the same language.
MS. SMITH: Actually could you repeat that point right there? I didn't quite hear. I'm not hearing her question at all. I'm only trying to get part of it here.
MR. CRUZ: The question was, was there -- is there any compatibility issue with the cards at the RT and the CPE equipment as far as them having to be made by the same manufacturer, are there some constraints with respect to that. Does that characterize the question correctly?
MS. THOMAS: Even if not necessarily made by the same manufacturer but, you know, whatever the compatibility --
MR. CRUZ: Yeah, just compatibility concerns. And I think once again I'm kind of out of my realm of expertise, but it's my understanding that that's not the case, that as long as the chips can talk and communicate and they're compatible, then that's really the issue, so --
MR. KEOWN: It really is.
MR. CRUZ: I don't think that would

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be a limiting factor. William, is that right? You've had your hand up for a little bit.
MR. WEINER: Ken.
MR. CRUZ: Ken. I'm sorry.
MR. WEINER: From Birch. With respect to the CLEC owning the cards, one argument for why that might make sense is that that seems to me to be analogous to the virtual collocation option at least that's available in Texas where a CLEC -- I don't need to tell you what virtual collocation is, but where CLECs can do that, that to be able to -- so the CLEC can choose the equipment so long as it meets net one or whatever and then it provides the services that that CLEC wants to use; it works with the integrated access devices or the routers that the customer wants to use.
MR. CRUZ: Ken, I don't think there's any question whether you guys can or -- I think once again it's digging a little deeper past that and getting more into the operational issues, the pros and cons. To me some of the concerns that I would have, you know, speak to market, ease of doing business, operational issues, system constraints, et-cetera, you know, that would drive some of those decisions. So, no one's arguing here that the CLECs

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don't have a right to own that card. I think it's just up for debate. So, I guess that's kind of where I'm at. Yes, sir.
MR. WEINER: I thought you said we should talk about that subject. I'm sorry.
MR. CRUZ: No, no, we should, and I'm glad you were bringing it up. But once again, I think no one's debating whether you can or can't. It's really how should we do this together and maybe create a path forward. Yes, sir.
UNIDENTIFIED SPEAKER: Will I be able to buy those cards from Alcatel under your purchase agreement with them?
MR. KEOWN: No.
MR. CRUZ: I'm looking around just to have a sanity check. I think the answer to that question is no. You would have to go out and negotiate your own terms and conditions for the cards and --
MR. SAMSON: But I think that could highlight an advantage. If SBC were to own the card if the FCC were to allow that, we could buy all those cards, unbundle it at a UNE rate and we would be able to purchase the mass volumes and perhaps arguably get a discount. And so that might be an

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upside to SBC ownership of the card.
MR. CRUZ: So, there's economies of scales that -- I think that's fundamentally one of the arguments, one of the components we should look at is --
MR. BOYER: The fundamental issue that we've come up with in the product development cycle anyway is the fact that if the CLEC purchased the card, that's exactly what you're getting at, you would have to purchase an inventory of those cards. And for the telephone company to be able to tie in our copper facilities with that card would require us to somehow have your inventory of cards integrated in our inventory systems to assign, physically assign the copper pairs to those cards. But as of today we do not maintain an inventory of our customers' equipment obviously. So, for us to tie in those copper pairs with cards that belong to another entity is from an inventory perspective and an OSS perspective of maintaining a database that has all those cards, it's just not something that we could come to a conclusion on, could not determine that.
MR. SAMSON: You have the added complication, you know, just talk about number of

central offices and having enough splitters available in each central office. There's dozens of these RTs for every CO, and so now if you buy -- if the CLEC were to buy the card, you now have to start doing your forecasting at an RT by RT and make sure you have X number of cards in this RT and X number and if you're wrong and you have more customer demand out of this serving area than that serving area, you've got this capacity over here but in this serving area you're short, and all those kinds of issues we believe somewhat go away if SBC were to own the card and just unbundle it as a UNE and then we'll deploy them in all the RTs. And that, you know, I think speaks to a real benefit we would see at the RT location for card ownership.

MR. CRUZ: You've had a question for some time. I'll get to you, Ann, and the gentleman up front in a second. Yes, ma'am.

MS. McCALL: I understand that -- Cindy McCall, MCI Worldcom. I understand that your preference is to own both the cards and the OCD, and you've covered the pros and the cons, the options for the cards, but you really haven't spoken to the OCD.

MR. CRUZ: Do you have any

specific --

MS. McCALL: Pros and the cons.

MR. CRUZ: Do you have any specific questions or, I mean, do we need to --

MR. BOYER: The OCD, technically speaking we have to have a device that performs the function of the OCD in order to route your traffic to wherever you're picking it up at your ATM cloud. There is really no alternative to routing the traffic. The options that we had considered in the past for that was either -- either the telephone company will own the OCD or we will actually lease the OCD from another provider. So, the technology itself will belong to the -- we haven't focused too much on that issue because we're not really asking for --

MR. SAMSON: Can I speak to that maybe just to make that real clear. If you look in the picture where you have that OC-3c with data, if you had 8 interested CLECs at that RT location, it's -- any one CLEC is not going to need an OC-3c worth of bandwidth, and so -- and in fact I think if we required that, you know, it would be viewed that, hey, the cost of that for the few customers we have would far exceed any practical application. So,

having one OC-3c from the RT back to the CO and letting all data CLECs jump on that is the most efficient and cost effective. What that means then is that the central office, the TELCO unbundling this has to then sort that out.

So, if you think of the OCD as sort of a demultiplexer for packet, if you will, to sort these all out, if we didn't own it the only alternative would be let's say Covad owned it and we would have to go to Covad and lease that. Well, then all of Covad's competitors would be paying us for a UNE which the underlying cost input is their competitors' equipment that they're leasing to us at a profit or ASI or someone else. And so practically speaking, the biggest pro or con is we just couldn't figure out any other way to do it other than us owning it, you know, if that makes sense, that explanation makes sense.

MR. CRUZ: Does that clear it up a little bit for you?

MS. McCALL: Yes. I just wanted to cover it.

MR. CRUZ: That's a good -- I'm glad you brought it up because we really have kind of glossed over that. Ann, you had a question.

MS. LOPEZ: I'll defer to --

UNIDENTIFIED SPEAKER: I just wonder when you plan to establish prices for the different elements and how.

MR. SAMSON: It probably will follow the decision to let us do it.

MR. CRUZ: I think we have cost -- we've launched some cost studies and some work and obviously with all the work going on in the industry that we've got to -- we have obligations to do, we've kind of put the emergency brake on that for a second until we get an outcome and a readout of where this is going to land because obviously we really can't afford to be doing duplicative work. So, I think as soon as we get a feel for what the response to our clarification will be, then we can move forward. I don't know, I mean, if -- I'm not even sure. To be honest, frankly honest, brutally honest, I'm not even sure what the procedural schedules. I know comments are due back to the FCC Friday, and then I think replies are due on the 10th and I haven't heard when there's going to be an official opinion made.

So, having said all that, we're still going to press on, do some things working off those

assumptions. However, I can't commit to you to say by date X all this, you know, we'll have costs and we'll have contract language we'll negotiate from, et-cetera, just because of the uncertainty of where we're at today. We're kind of at a crucial decision point at this time.

UNIDENTIFIED SPEAKER: In order for a CLEC to take this element though, they would have to negotiate new contract language?

MR. CRUZ: Yes.

MR. SAMSON: Yeah.

MR. CRUZ: There will be a whole appendix addressed to this broadband UNE.

MS. LOPEZ: I want my question back then.

MR. SAMSON: You're going to spend your chip now.

MR. MURTHY: Coming back to the focus, I'd like the focus to be brought back to what the real discussion is about. The discussion is whether the RTs owned by you or RTs completely owned by the CLEC, whichever CLEC chooses.

MR. SAMSON: No, the card, just the card. The Litespan in any event will be owned by SBC.

MR. MURTHY: Yeah, I know, but --

MR. SAMSON: The card.

MR. MURTHY: You could have one card.

MR. CRUZ: And the RT's owned by the TELCO --

MR. MURTHY: Exactly.

MR. CRUZ: -- and the shelves are owned by the TELCO and the --

MR. MURTHY: Exactly. It means that, you know, the CLEC is big enough to say we could have the whole RT, our own RT in order to have our OC-3 coming into your central office, okay, no problem, or you have the RT with the cards owned by you and we only rent the, you know, ability to use it.

MR. CRUZ: You buy a port.

MR. MURTHY: Yeah, buy a port, lease, effectively lease.

MR. CRUZ: At the UNE rate.

MR. MURTHY: Yeah, that's what it is. You know, I understand the servicing, all of the issues totally. Is there anything in between? You looked at holding the whole RT, a big enough CLEC comes to you and say, guess what, we don't want to bother with one or two cards. There's a minimum

that we can buy which will make your service order process easy enough. Is it meaningful? I know it's your calculate which is better or not. There may be some CLECs who want to say, especially the bigger CLECs in between, you know, just trying to think in terms of extremes. It's either you own it or we own it or you have your own RT, whatever you want to have.

MR. CRUZ: So, let me understand this correctly. You're suggesting that we may have a CLEC interest in somebody coming and saying we don't want to just place one card, we want to have --

MR. MURTHY: Yeah, big enough, good enough number so that your service order processing, it's still going to be small so you're going to have enough work to process in one shot. Just a question. You know, there's no answer required right away. You can think of. That's one of the options like in between rather than saying yes or no.

MR. SAMSON: My favorite questions are questions that don't require an answer, so thank you.

MR. MURTHY: That's okay.

MR. CRUZ: So, would you have a sense

for what volume we would use this criteria to say --

MR. MURTHY: I have to know how many ADLUs are in an RT. That gives an idea. I don't know. And I don't remember the Litespan 2000 or 2012 capabilities, then I would know if it's the break even or 50 percent or 60 percent, 70 percent.

MR. SAMSON: Yes, Howard, you have a follow-up?

MR. SIEGEL: The flip side to that issue is I would be very concerned if I was a DLEC that because of space exhaust I couldn't get a customer served because someone else was reserving space.

MR. CRUZ: That's the crux of the matter. I mean, it would be a tough balancing act because that's my next question is, so, is it five cards, is it ten, is it 15, you know, that number can vary and then you run that forecasting over capacity space exhaustion issue which is obviously a slippery slope for all of us, so --

MR. SAMSON: Any other questions? Oh, Ann is wanting to spend her chip. Ann, do you need some more coffee because we've got some.

MS. LOPEZ: I have three cups down here.

MR. SAMSON: Okay.
MS. LOPEZ: I want to go back to your question. You said that you were going to only place this scenario if allowed to in a growth-type scenario. So, you're not going to go and take stuff out and replace it with this -- this setup, okay, where you're not going to run the DLC out. You're not going to take away any existing copper; you're going to place new copper and utilize this DSL equipment.
My question would be is that I've already got DSLAM equipment in my cage and I'm setting up with SBC to do line sharing. We go out and we turn around and do a loop qual and it comes back and it says there's no F1 facilities, however, there's RT available. My question would be, since there's RT available, would SBC be taking a POTS line off of an F1 loop to open that up for the line-share product and move it onto the PRONTO project?
MR. SAMSON: Let me, James, answer that from a contract perspective, and then I'll punt to you if I'm wrong. It sounds like what you're saying is since you already have your DSLAM and you'd rather just use it, would I do basically a line station transfer, move someone off an F1 copper

that's just a POTS only customer to my Litespan over here and then have that F1 available to give you for a DSL. And in the contract language and, gosh, I think this is really right, but from the arbitration in Texas and we've now expanded that to 13 states, the contract language says that in scenarios where we deny for digital loop carrier there's a couple of things we have to do, and one of those is a line-station transfer or trying to free up a copper pair.
So, that's a long way of saying yes. We would do an LST. That's what I view this to be basically is an LST to a digital loop carrier, happens to be a PRONTO digital loop carrier, to free up a copper pair if that's an option that's available to us.
MR. CRUZ: Folks, I really kind of want to focus back again on the card ownership OCD issues because I think we're going to run out of time here shortly. Yes.
MS. TAFF-RICE: I have an OCD question. How's that? The OCD is an ATM switch; is that right?
MR. SAMSON: James?
MR. KEOWN: It is. Yes.

MS. TAFF-RICE: Okay. And that's a Lucent product?
MR. KEOWN: Lucent product.
MR. CRUZ: CBX?
MR. KEOWN: CBX-500 or GX-550.
MS. TAFF-RICE: Okay. I have two questions for you on that. You mentioned earlier when the evaluation was done to choose other parts of the equipment, specifically the Alcatel product. Can you tell me when the evaluation was done to choose this Lucent piece of equipment?
MR. KEOWN: Late last year as best we can remember. That was kind of outside our scope.
MS. TAFF-RICE: Late '99 you mean?
MR. KEOWN: Yes, that was kind of outside our scope. I'm sorry?
MS. TAFF-RICE: Late '99?
MR. KEOWN: Yes. That was kind of outside of our scope at the time we were doing this.
MS. TAFF-RICE: And do you know what the back plane speed is of the OCD?
MR. KEOWN: Not right off.
MR. SAMSON: Fast.
MR. KEOWN: Extremely, fairly fast.
MS. TAFF-RICE: I mean a gigabit,

megabit?
MR. KEOWN: Lucent has some -- I've gotten most of my information off Lucent's web site. If so, you can go to that web site and get all their specifications.
MS. TAFF-RICE: And one last question. This actually comes from the investor briefing that SBC has done. There was some discussion that there would be an investment of $1.75 million per CO to institute this new network topology. Could you tell me how much of that goes to the OCD placement?
MR. SAMSON: She must be one of those new Schwab investors.
MS. FISCHER: The E-trade.
MR. SAMSON: The E-trade, right.
MR. KEOWN: We can give you that information, but I don't know that right off the top of my head.
MS. TAFF-RICE: I'd be interested if somebody could supply that.
MR. BOYER: It depends on the configuration of the switch. It's an ATM switch, so it basically has 16 slots in the switch. So, depending upon the cost of the cards that are placed

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in those slots, it could vary.
MS. TAFF-RICE: Do you have a range?
MR. BOYER: I don't off the top of my head, no.
MR. CRUZ: James will follow up with that. Yes, sir.
UNIDENTIFIED SPEAKER: I have a question for your ownership issue. Is ASC able to purchase the cards under the Southwestern Bell agreement without ASI, the data --
MR. SAMSON: I think the answer is that if the FCC allows us to own the cards -- of course they wouldn't because it would be an SBC -- if the FCC says, no, the CLECs need to buy the card, then all the cards that would be purchased would be purchased by ASI, so it --
UNIDENTIFIED SPEAKER: Under your agreement, under your negotiated deal with Alcatel?
MR. SAMSON: Well, I'm not sure, James, if that agreement's with the SBC corporation or if that's with the Pacific Bell, SWBT, Ameritech actual TELCO companies. I'm not sure how that works.
MR. KEOWN: I'm not so sure either.
UNIDENTIFIED SPEAKER: Well, I mean,

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that's -- obviously, I mean, functionally I think I'd like to own the cards, but I can imagine going to Alcatel saying, and they know I have to buy their cards, so all of a sudden their list price goes through the roof and, you know, I mean, come on. And so, you know.
MR. SAMSON: Well, I guess what's kind of the -- one SBC entity or the other will buy all of them. Either the ILECs will because the FCC will allow us or ASI will, so the volume of cards that were bought and the discount that goes with that volume or doesn't go, depending on how Alcatel negotiates that, would either be all ASIs or the ILECs. When you say will it be bought under ours, I mean, that's where I'm -- whatever the price that's negotiated, it's going to be negotiated by one entity or the other.
UNIDENTIFIED SPEAKER: Well, you structure a deal where you pay so much for a shelf and so much for control and so much for card and so much for --
MR. SAMSON: Okay. That's as much as I know.
MR. KEOWN: I don't know that to be --

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MR. SAMSON: But it's a great card question. We appreciate you asking it.
MR. CRUZ: Yes.
MS. McCALL: On page 26 where you make statements regarding the -- again, Cindy McCall, MCI Worldcom -- where you talk about the end user service order and the loop qualification, at this point are those suggested processes or are those processes that you've already decided upon?
MR. BOYER: Those processes were put together based upon the assumption that the telephone company would own the card. Assuming that that does not change, these are the processes that we are going to go with. I don't know of any other way to simplify the process any further than it already is, to be quite honest with you, unless if -- obviously we would be open to suggestions in that area, but I don't see any other way to simplify it. It's one service order for the customer's loop.
MS. McCALL: Is this the forum in which we can make suggestions on that?
MR. BOYER: Sure, be more than welcome to.
MR. CRUZ: Well, and also the gentleman that was -- was it William?

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MS. McCALL: Yes.
MR. CRUZ: He committed to maybe writing a proposal, making another proposal with the card ownership issue that he could e-mail to us and we would distribute to the audience.
MS. McCALL: It was a Proposal No. 4, but it wasn't necessarily involving card ownership issue.
MR. CRUZ: I'm sorry. I assumed it was going to be ownership issue that he was proposing.
MS. McCALL: In a roundabout way.
MR. CRUZ: Okay. Maybe if you want to give us feedback on this process, on the ordering process as well, we'd be happy to entertain that and share with the group as well just for the sake of time if that's okay with you.
MS. McCALL: Okay.
MR. CRUZ: Yes.
UNIDENTIFIED SPEAKER: Quickly, under that proposed service order, procedure or flow and assuming that SBC would own that card, what do you think the approximate provisioning lead time would be?
MR. CRUZ: I think it's -- were you

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going to say it's the same as DSL?
MR. BOYER: It's the same as DSL.
MR. CRUZ: It's my understanding it's going to be the same as the DSL provision intervals that we have in place today.
UNIDENTIFIED SPEAKER: Which is?
MR. CRUZ: The question was, under the assumption that the TELCO owns the ADLU card on Slide 26, what would be the provisioning interval for this product, and the response was it would be the same as the DSL provisioning interval that we've negotiated.
UNIDENTIFIED SPEAKER: Thank you.
MR. CRUZ: You're welcome.
MR. SAMSON: And your question was what were those intervals?
UNIDENTIFIED SPEAKER: Yeah, what is the interval, seven days, five days?
MR. SAMSON: This is going to give you a contract answer. Whatever your contract says it is. Our general offering is I think five for loops that do not require conditioning and ten for loops that do require conditioning, but various people have various contracts that may say different things. So, ultimately your contract will control,

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but that would be SBC's offer if you took our generic, for instance.
MR. CRUZ: Anita, Rhythms.
MS. TAFF-RICE: I have a question on loop qualification. I'm trying to understand how this proposal fits with other requirements that exist out there. And as an example, I think it's correct that SWBT made a commitment to the Texas PUC not to require loop qualification for loops of 12K or less. So, when this says that loop qual will be required, how do those two things fit together?
MR. SAMSON: Well, if you were to order a regular xDSL loop which is -- when that commitment was made, it was in regards to regular copper xDSL loop under 12,000. If your order comes in with a USOC for that loop product, loop qual would not be required. To the extent that your order came in and you didn't have an xDSL USOC but you had Chris' UNE No. 2 and UNE No. 3 up here, then I don't know that we flushed that out exactly but we'd have to identify that that in fact existed there before that UNE could be processed.
So, for sure, the best way to answer your question is we're going to honor the commitment we made to the Texas commission. To the extent that

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you're ordering xDSL loops under 12,000 and you don't want us to do a loop qual, we will provision that. I think what the document you have there regarding this says, to the extent that you're ordering this, then you would want to do a loop qual or either you're going to have to do it or we're going to have to do it to identify that that in fact is a loop that is served by PRONTO versus a loop that isn't.
MR. BOYER: Well, and I'd like just to elaborate on that a little bit.
MR. SAMSON: Yeah, please do.
MR. BOYER: The bottom line issue is that the loop is not less than 12,000 feet. The loop is still served out of the existing facilities as they are today, so the assumption is that all these loops are greater than 12,000 feet. And then at the point in time when you initiate your loop qual, that is when you'll find out that your loop is not DSL capable because the loop length is too long and then you would -- we will physically move it in the SAI box to be served out of the DLC infrastructure. So, at that point in time the loop length gets shortened. But before it's physically moved by processing the service order, the loop

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length is not less than 12,000 feet. It's always going to be greater. It might be anywhere from 12 to 18, but it's going to be greater than 12 though. If you follow -- sounds like -- looks like you're -- do you follow what I'm getting at?
MS. TAFF-RICE: Well, I'm just trying to understand. It almost sounds to me that what you're describing is that if you provide -- or if I want to order a regular xDSL loop which is what existed prior to this topology, the rules from Texas and other places apply; but if what I want to do is order a DSL loop that's, for example, part of a line-sharing arrangement, it's going to fall under this new topology and you're -- I'm not clear on this. Are you saying that the rules that existed prior to that don't apply?
MR. BOYER: No, no, no, it falls -- it's exactly the same as it is today for DSL. The way that we envision the order flow is that you would issue service order for a DSL capable loop and when you -- in order for you to do that, you could issue an order for something that was less than 12,000 feet, whatever the loop length might be, but we're not technically capable of deploying DSL under something that's greater than 18,000 feet without

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physically moving it into this infrastructure. So, before you actually order a DSL service for that customer's loop, it's not served out of this infrastructure. It's served out of the existing infrastructure as it stands today. Once that order's initiated, that's when we move it into this infrastructure.

So, if I understand you correctly, when you're saying that you're not required to do a loop qualification for a loop that's less than 12,000 feet, in this instance nothing's less than 12,000 feet. It's all under existing infrastructure. We're only deploying this in situations in which the loop length is greater than 12,000 feet, so it's always going to be greater until it's physically moved to something that's -- it's physically moved to the DLC equipment to effectively shorten the length.

MS. TAFF-RICE: So, this guy's question earlier about was the use of RT a possible mechanism to help you ensure a design that everything would be 9,000 feet or less from the CO, it's just incorrect?

MR. BOYER: Well, I can't answer whether or not we're planning on everything being

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9,000 feet or less. I mean, the idea behind PROJECT PRONTO is that we would make 80 percent of our serving customers be DSL capable. So, 80 percent of our network we would be capable of providing DSL, so all of the CLECs and anybody out there could provide DSL to these individuals. I can't say whether they were trying to do everything 9,000 feet or less.

MR. SIEGEL: But if this is only going to be used for 12,000 or greater, I don't understand how the two answers --

MR. KEOWN: Let me see if I can help you for a second. What I think I heard over here was the intent is to make the copper, wherever that copper starts and stops, less than 12, 9, whatever the number is, kilofeet, not that it starts at the central office --

MR. SIEGEL: Right.

MR. KEOWN: -- and just goes out 9 kilofeet, but wherever the copper starts and stops is going to be less than 12 kilofeet. So, that might be 2 miles, 15, 20 miles down the road where we plant an RT. But the copper extending from that RT will be within that 10 to 12 kilofeet range. It's not that we're going to shorten everything back to --

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MR. SAMSON: Yeah, we're not building new COs to be within 9,000 feet of every customer. Yes, Howard.

MR. SIEGEL: With all the new deployment that's going in, to what extent are you-all doubling up benefits and tracking loop information and building databases so that mechanized loop qualification will be something more realizing?

MR. CRUZ: Howard, let me get to that question. I just want to make sure that -- we're thinning out here and we're almost running out of time, so are there any outstanding ownership issue questions that we can answer to the crowd? I'm not trying to not address your question. I just want to bring some focus back into the discussion. Yes, ma'am.

UNIDENTIFIED SPEAKER: Yes, could you elaborate a little bit on the customer information form, what kind of information will be required on that, what kind of treatment will that form get, whether others will have access to it.

MR. BOYER: It's basically --

UNIDENTIFIED SPEAKER: Any of those issues?

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MR. CRUZ: Well, once again, any more ownership questions?

UNIDENTIFIED SPEAKER: Oh, I'm sorry, I'm sorry.

MR. CRUZ: And if there are no more, then I want to go back to Howard and then I'll go back to your question because I don't want to -- I just don't want to gloss over this kind of the ownership issues. It sounds like we've answered all of the -- all the burning thoughts. Howard, I'm sorry, we'll go back to your question again.

MR. SIEGEL: I just want to know to what extent you're putting these in, you're -- you have information regard to loops and deciding where you're putting these things and our database is being built at the same time that's going to help mechanize the loop qualification process. Is there -- maybe I'm making a wrong assumption, but I would have thought that in doing one, you're getting the information that you could do the other.

MR. CRUZ: I don't know.

MR. SAMSON: Conceptually when you place an RT you're not building a whole new loop, you're building an F1. I don't know that it triggers an L fax record creation or something along

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those lines. James, do you have any idea on that?
MR. KEOWN: Let me see if I understand the question before I try to tackle it. Are we building databases to reduce loop qual or just to --
MR. SIEGEL: To help mechanize.
MR. KEOWN: To help mechanize? Well, to some extent loop qual's already mechanized I think, and I'm a little confused by the question. We do a lot of manual loop qual between the -- in the yellow zone because that's the only one we can actually take a look at.
MR. CRUZ: I think we're working on planning record system issues, Howard, to do loop qual that I'm not sure fall in the scope of this, so I guess I'm not understanding your full question. I mean, are you saying that -- go ahead.
MR. SIEGEL: No, I just would have thought that there's a warehouse of information that you-all are working with that maybe it's information that could be part of the prequal, maybe -- maybe we need another color code. You have red, yellow, green. Maybe there needs to be something that says, you know, something between green and yellow that says it's green if you choose PRONTO so that

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automatically you could skip the qualification process because you know you are within X kilofeet of the RT.
MR. BOYER: The issue with that, we talked about those issues in developing the product and the problem was that we don't -- the loops are not physically in PRONTO until it's identified that we want to shorten the loop length. We won't shorten the loop length until somebody wants to order DSL obviously. So, that's when we move it into PRONTO. So, the way it was going to work was is that you would initiate a loop qualification on a regular customer line either by the telephone number or by the customer's address, and the loop qual would come back red because the loop number's going to be too long. At that point in time, that's when you'll be notified of the fact that there is an RT available to have that customer's loop moved into that RT that effectively shortened the loop length.
MR. SIEGEL: Then what if someone wants to change data providers after they've been put on one of these RTs?
MR. BOYER: We'll have to maintain a database somewhere to keep track of the fact they've been moved to the RT obviously.

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MS. MAYS: This is Christine and I just have a follow-up question. And I can't hear Howard very well, so I apologize if it's already been covered. But what I'm hearing is, I mean, you've got this effort underway pursuant to the plan of record to mechanize and put all the loop qualification processes in the preorder phase before we submit an LSR. So, is the theory that we're going to be able to prequal an end user address or a TN and the information's going to come back in real time to say this loop is 19 kilofeet or this loop is 17 kilofeet of RT, whatever you're going to call it, RT UNE available. Is that the plan?
MR. BOYER: No, the plan is that you will do a loop qualification, I guess would be a preorder loop qualification.
MS. MAYS: See, no, stop right there actually. Those are two different things today, and that's my question. Under the plan of record those two things are going to get melded. You're going to have a loop qualification piece which today is not preordered and that during the ordering process becomes a preorder process.
MR. BOYER: Right.
MS. MAYS: So, is that -- okay. So

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then continue.
MR. BOYER: That would be consistent with what we're doing. And what our plan was is that because the loop is not physically served out of a remote terminal, when you do that loop qualification you are not going to get the fact that this is 17,000 feet of the loop served out of this remote terminal. You're going to get back the loop characteristics of the loop as it exists today which is going to be greater if it's not going to be served out of the DLC.
MS. MAYS: I guess I earlier heard you and in my notes I wrote loop qual, do preorder loop qual, will tell you loop is too long but RT available.
MR. BOYER: That's exactly what it will do.
MS. MAYS: So, that happens on the preordering; before we submit an LSR that happens?
MR. BOYER: That's the triggering event that tells you you need to order the PRONTO unbundled element; otherwise, you could order an existing DSL capable loop or line-shared loop.
MS. MAYS: Okay. So, maybe the answer to my original question was yes.

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MR. BOYER: Yes.
MS. MAYS: Under the stuff that's going on with the POR, to kind of put all this stuff into preorder, one of the new fields we're going to get is RT available.
MR. BOYER: That's correct. When it comes back red, you will get a field that will tell you if it's RT available. That's what they're working on.
MS. MAYS: Although you're not -- I mean, again, under the POR you're kind of -- maybe you'll still do a regular green but you're also going to give us all the loop qual characteristics.
MR. BOYER: I can't speak to that. I can only speak to how we're going to identify whether it's served out of the RT for PRONTO.
MS. MAYS: Because I guess hopefully you understand my question and concern is that we're not going to have to do two loop quals.
MR. BOYER: No.
MS. MAYS: Or two preorder checks. I mean, everything is going to come back as one package.
MR. BOYER: My understanding is that you will do one loop qualification on that

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customer's loop and you will be alerted of your options at that time.
MS. MAYS: Okay.
MR. CRUZ: Well, I see people falling asleep. Oh, there was one more question. Sharon.
MS. THOMAS: I just have a procedural question. Are we going to be able to get the transcript and/or the videotape and, if so, how?
MR. CRUZ: Well, here's the deal. I think -- did we hire the court reporter?
MR. BOYER: Yes.
MR. CRUZ: I think we'll make the record available to you. As far as the video, it's my understanding Rhythms set this up, so I think you may have to contact them and see if they want -- I'm sure they want a -- they'll sell you a copy.
MS. TAFF-RICE: May I address that?
MR. CRUZ: Sure, please do.
MS. TAFF-RICE: Rhythms did arrange for the audio visual company to come in today, but it's an independent company, has nothing to do with Rhythms. This man right here, his name is Billy and it's his company and if you will just let him know or if you have problems come through me, but you could just buy a copy directly from him. It's got

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nothing to do with Rhythms selling the tapes or anything.
MR. CRUZ: Yesterday your attorney made it clear to me that they would contact you and they would sell them, so they even said talk about a markup, so --
MS. THOMAS: How will we get the transcripts if we just want the transcripts?
MR. CRUZ: I'm sure we're going to make it available via e-mail to you guys.
MS. THOMAS: Okay. So, everybody that responded --
MR. CRUZ: Right.
MS. THOMAS: -- that they were coming.
MR. CRUZ: It's kind of critical that you guys signed in on the sheet and that, you know, you've replied via e-mail to Chris Boyer. So, if you guys want things electronically we can get those. Because I'm afraid on the sign-in sheet we only put name and company, so therefore if you want to communicate with us via e-mail, once again, please go to the accessible letter. There's an e-mail address on the bottom that will fire up communication between the two parties. Yes.

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UNIDENTIFIED SPEAKER: Do you have an estimate of when the transcript will be available? We've gone through a lot of information here and our comments are due on Friday, so I'm sure we're all going to be looking to this transcript.
MR. CRUZ: She smiled. She has a notion to smile after that request. Well, sounds like we need to get it maybe by how about noon tomorrow? Is that too late?
MS. THOMAS: Well, let's ask this question. Will SBC oppose a request that we extend the time period to reply to the FCC by a couple days if we wanted to make that request? Because, I mean, there was a lot of information covered here today and a lot of it is, you know, elaborates on the letter. And, I mean, the main issue for me which I really don't think anybody understood from that letter and the description and the diagram that was with that letter about this voice data integrated service provider issue, so --
MS. TAFF-RICE: Yeah, I think Rhythms would second that request that it's going to be hard to assimilate what we've learned here today in time to get comments in by 5:00 p.m. East Coast time.
MR. CRUZ: I can't commit to that at

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this time. I'll have to probably round up our legal folks, and, Marsha, I'm not sure you would disagree that I'm not sure we would support delaying this just because we've got so much work hinging on this decision. And unfortunately, maybe I'm compressing time, but it's just sort of the environment that we're in as far as being able to change it. I'm not sure that I can commit to that right now. I can definitely look into it, but I'm afraid, I mean, the answer's probably no, but let me look into it.

Once again, we'll distribute that in the minutes. And the minutes will go out, you know, probably to try to rehash at least some of the actions I took, some of the I committed to you folks in the meeting today to go out, you know, as soon as possible. But, you know, it sounds like the transcript might be a full day from today. And like I said, then we've got comments due by 5:00 o'clock on Friday the 3rd with the FCC, so --

MS. SMITH: I'm sorry. When will the transcript be ready?

MR. CRUZ: We haven't got a firm commitment from the court reporter, but it sounds like it might be a full day of processing because they're going to check the audio and the videotape

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and proofread a couple times, so sounds like it would be a full day before we'd get it.

MS. SMITH: Okay.

MR. CRUZ: Yes.

MR. MURTHY: For RT location is there a quota for a CLEC maximum or minimum they should buy? Minimum probably is one, of course, but is there a maximum they can buy? I'm just thinking of a question of monopolizing and saying I want 50 percent of it.

MR. BOYER: Of ports?

MR. MURTHY: Fifty percent of ADLUs.

MR. BOYER: No, you order one port for every -- on the end user order.

MR. MURTHY: Yeah, but how many can I order? For example, the moment you put in RT, can a CLEC come and say I want --

MR. CRUZ: You're asking if you can reserve space on the ports?

MR. MURTHY: Yeah, reserve space or get or, you know, sign up.

MR. CRUZ: Ports will be assigned as you place your order.

MR. MURTHY: Order, okay.

MR. CRUZ: Per end user.

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MR. MURTHY: First come, first served.

MR. CRUZ: Right.

MR. MURTHY: Okay.

MR. CRUZ: Yes.

UNIDENTIFIED SPEAKER: Can we get back to the question that Pat Escobedo brought up regarding the customer information form?

MR. CRUZ: Yes.

MR. BOYER: I can take that. You were asking what fields needed to be on the customer information form?

UNIDENTIFIED SPEAKER: She wanted to understand more about what that entails and how we would get that information.

MR. BOYER: Okay. Basically what needs to go in the customer information form is technical information like virtual coordinates that need to be programmed in our -- the OCD device which I'd said before was an ATM switch. There's quite a few parameters that need to be translated in that device for us to be able to identify your incoming traffic and route it to your ATM cloud somewhere, so we have to actually program that information into that device. So, that is the kind of information

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that will need to be provided on the form. I can tell you the form's about a half a page, three-fourths of a page. It has several fields on there for virtual, what are called virtual path indicators, virtual channel indicators. It's got the coordinates of your ATM cloud because you're going to have an ATM switch somewhere on the other side of this that's going to pick it up. We need to know how to route your traffic to get it to that ATM networks. That's what's going to be on that CIF form, and you only have to do that once for each office that you're going into assuming you're going to buy or you're going to lease one port in that office. So, you just send one form in for each central office that you're purchasing a port in is what it amounts to.

MR. CRUZ: Yes.

UNIDENTIFIED SPEAKER: What docket number is the contract, proposed contract filed with the FCC?

MR. BOYER: I think it's --

MS. TAFF-RICE: I can answer that if you'd like. It's 98-141.

UNIDENTIFIED SPEAKER: What is it?

MS. TAFF-RICE: 98-141.

UNIDENTIFIED SPEAKER: Okay. Thank you.
MS. MAYS: This is Christine from North Point. I just have a quick question about the profile. You talked briefly about the profile form you're going to want CLECs to file per RT, I guess, with the different kinds of per service they want to offer out of that RT.
MR. BOYER: In regards to the profile, you will not -- you won't have to submit a profile per RT. You'll just do it once for the entire 13-state region. You'll build a profile, and it's not actually going to be a form. We're going to -- I think our plan is, and bear with me because this is still under development, but I think we're going to put access to the SOLID system available via the Internet so you can actually go in and build your profile to cover all of our RTs in the 13-state region through this one point of access. So, you will not need to submit a form for every RT.
MS. MAYS: Okay. That's good. That's good to know. Will you have to list the different RTs that you're wanting to offer that service out of and then as you change things update that?

MR. BOYER: No, no, what's going to happen is, is that the profile will be common for any place that we've deployed Litespan.
MS. MAYS: Okay. Thanks. Do you know what the -- any sense what the time frame then is between filing the profile and being able to offer that service?
MR. BOYER: We haven't established definite intervals on that. I would say that the thing that we've been leaning towards is the fact that the profile probably would need to be up for five days maybe before we started placing end user orders just to make sure there weren't any -- because obviously your end user's not going to work if the PVCs aren't built, so the profile needs to be there sometime prior to every end user order. But probably five days is what we've been leaning towards.
MR. MURTHY: On the SOLID that you mentioned that there will be Internet access to provide profile, would there be a remote provisioning access over time for the CLECs if they want to do some remote provisioning?
MR. BOYER: You mean like a partitioned access system?

MR. MURTHY: Yeah, yeah.
MR. BOYER: I can't speak to whether or not that definitely will occur. That's been --
MR. MURTHY: At this time, okay.
MR. CRUZ: I think we're done, folks.
MS. TAFF-RICE: Actually I have one last question. Sorry.
MR. CRUZ: All right. Anita, last question.
MS. TAFF-RICE: I want to make sure I'm clear. We've had some discussion today about ownership issues versus not ownership issues, so I take it what you're saying is that the letter of waiver that you've submitted to the FCC, you're only seeking to have them approve the question of ownership of the cards and ownership of the OCD.
MR. CRUZ: Correct.
MS. TAFF-RICE: So, if that's correct, then all of these other materials that you submitted, the contract and the diagrams and everything else that discusses things beyond that like deployment of DLC and the RT configuration, you are not going to consider that they've given you any kind of approval on that at the end of this process.
MR. CRUZ: I don't think we need

approval to deploy the architecture from the FCC. I mean, I think that's a corporate decision to invest the $6 billion over three years and the infrastructure to deploy the fiber. I don't think we need a --
MS. TAFF-RICE: Okay. So, there's nothing else basically that you've submitted that you think under the merger conditions you're required to get approval of?
MR. CRUZ: Anita, the only qualification I'm going to say is the contract language has changed somewhat. We've tried to highlight some of those changes in the discussion today, so obviously we submitted that weeks ago to the FCC and we labeled it as draft. We knew we were taking a risk there because we get a lot of questions on, you know, what's happened in the last three or four weeks on that contract language since we've seen it's gone through several erasures and changes.
But with respect to the only thing we're asking the waiver on, it's the ADLU plug card issue and it's the OCD ownership issue. And I think for the reasons listed that were hopefully described and outlined in today's presentation, there's some

benefit I think to both parties in allowing us to do that. So, I mean, there's economic benefits to both parties. I think there's provisioning operations, I mean, and I think those are highlighted in the slides that Chris Boyer illustrated today.

So, really that's the issue at hand, and I think that once again the purpose of the meeting was that once this filing went out for public input from all the interested parties by the FCC, the account teams started getting all kinds of questions, what's going on, what's that, what's the other, give us an update on the issues, and therefore that was really the genesis of this, plus we also wanted to share with you guys all the work that we have done with respect to the product today. So, in answer to your question, the answer is yes.

MS. TAFF-RICE: So, did the FCC ask you for the additional materials or you just decided to voluntarily submit them along with the waiver request?

MR. CRUZ: We voluntarily submitted them.

MR. KEOWN: No, they actually asked for that material.

MR. CRUZ: I'm sorry.

MR. KEOWN: I'm sorry, Rod.

MR. CRUZ: No, please correct me.

MR. KEOWN: Understand the technology that we're dealing with is extremely new. We don't -- we have it in labs and we have it in one field location. And the FCC is like the rest of us, they're learning it too. So, in order to get a feel for what it actually is and what they're actually looking at and what they're actually asking questions on, they asked for some of that information.

MR. CRUZ: I think we had an RFI.

MR. KEOWN: So, you're right, we voluntarily gave it, but they asked for it because they don't -- we're still learning the technology ourselves and they have to know it too in order to ask intelligent questions, which is what we want them to do, we want ya'll to be able to do for us.

MR. BOYER: Right. And a lot of things that we talked about, to reiterate that point, is the fact that the product development cycle which is the product, the effort that I've been heading up is we're right in the middle of developing the products on this. We're trying to develop a product which is the most feasible for our

customers which are you.

You know, it's just that we're right -- to be quite honest with you, we are right in the middle of developing this product. So, there's a lot of issues that are still unresolved which is why the contract language was in draft format. Obviously you can imagine from having any product development efforts that go on, things change as time goes by to make things more feasible, so --

MR. CRUZ: I'm going to cut the meeting. So, if we want to -- Chris and I and others can hang around here, but we just wanted to have the meeting run till 5:00 o'clock, and we do appreciate your attendance and you guys all get a gold star for hanging out till 5:00 o'clock.

(The session was concluded.)

STATE OF TEXAS *
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I, Karen L. Shelton, a Certified Shorthand Reporter in and for the State of Texas, do hereby certify to the following:

That the foregoing transcript is a true record of the Project Pronto presentation held on MARCH 1, 2000, at One Bell Plaza, 208 South Akard, Dallas, Texas.

CERTIFIED TO BY me in Dallas County, Texas, on this, the day of , A.D., 2000.

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